THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) to (e) Pursuant to the NCMP and the directions of the Prime Minister, Planning Commission is preparing a discussion paper for improving the regulatory regime to enable greater investment, particularly from the private sector, on a competitive basis. The proposed paper is being discussed with stakeholders and experts with a view to evolving consensus. Steps are also being taken to ensure that regulatory mechanisms in the country are transparent, autonomous and professionally run.

Gadgil Formula for transfer of funds to States

221. SHRI B.J. PANDA:
MS. PRAMILA BOHIDAR:

Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware that the Gadgil Formula for transfer of Plan funds to States has not been able to mitigate regional imbalances, especially of the backward cash-strapped States such as Orissa, Bihar, Jharkhand, Chhattisgarh etc.;

(b) if so, whether Government propose to revise this formula to ensure better human and infrastructure development by way of better funding of deficient areas in the country; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) and (b) Consequent upon the formation of the new UPA Government, the Planning Commission initiated Regional Meetings with Chief Ministers of States under the Chairmanship of Deputy Chairman, Planning Commission covering the entire 6 (six) regions of the country *i.e.* North, South, East, West, Central and North-East. However, except Rajasthan, none of the States raised the issue of amendment of the existing formula of allocating Normal Central Assistance (NCA) to State Plans. In this context, the State of Rajasthan suggested that Gadgil Formula may be revised by giving weightage to the geographic area, index of infrastructure development and percentage of SC/ST population.

(c) Does not apply.